

Serial No. _____

DRAINAGE STIPULATION

All of the lands contained in this lease are subject to drainage by a well located adjacent to this lease. The well and producing formation are listed as follows:

The lessee shall, within 60 days of lease issuance, notify the _____ Field Office of its plans to protect the lease from drainage or, alternatively demonstrate to the Authorized Officer that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of drilling and operating the well. Failure to comply with this provision could result in the assessment of compensatory royalties.

MT-15-1